With a Little Help from My Friends: Global Electioneering and World Bank Lending*

Erasmus K. Kersting
Villanova University

Christopher Kilby†
Villanova University

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Abstract

This paper investigates how World Bank lending responds to upcoming elections in borrowing countries. We find that investment project loans disburse faster when countries are aligned with the U.S. in the UN. Moreover, disbursement accelerates in the run-up to competitive executive elections if the government is geopolitically aligned with the U.S. but decelerates if the government is not. These disbursement patterns are consistent with global electioneering that serves U.S. foreign policy interests but jeopardizes the development effectiveness of multilateral lending.

Key words: World Bank, Political Business Cycle, Elections
JEL codes: E32, F34, F35, O19

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†Corresponding author

"What would you do if I sang out of tune/ would you stand up and walk out on me?"

John Lennon and Paul McCartney

1 Introduction

Foreign aid has attracted substantial attention in the last decade. While critics abound, even supporters push for major reforms. Much of bilateral aid is seen as driven by donor geopolitical and commercial interests. These non-developmental motives can undermine the economic impact of aid because resources are less likely to be allocated to the areas with the highest economic return and recipient governments face distorted incentives. Recent research highlights the geopolitics of U.S. bilateral aid in particular. For example, Kuziemko and Werker (2006) find that U.S. bilateral aid to developing countries increases dramatically when they serve on the United Nations Security Council (UNSC), a pattern the authors equate to bribery by the U.S. to secure international support on key foreign policy issues. Faye and Niehaus (2012) provide evidence that the U.S., along with a handful of other large donors, increases bilateral aid to friendly governments that face competitive executive elections. This suggests global electioneering–an attempt by the U.S. to influence foreign elections to keep friendly governments in power. These practices might not be surprising given that the lead U.S. aid agency, USAID, is subordinate to the State Department.

International financial institutions (IFIs) purport to be above such politics. Their charters mandate policies and lending driven by need and economic efficiency criteria. Recognizing the advantages of apolitical decision-making, aid reform proposals routinely call for a greater share of aid resources to be redirected through these institutions. Yet there is accumulating evidence that narrow interests of major shareholders-especially, U.S. interests-shape IFI behavior. IMF programs have been linked to U.S. interests as reflected in UN voting alignment (Barro and Lee 2005), UNSC membership (Dreher et al. 2009B), and U.S. bank exposure (Broz and Hawes 2006). Given the nature of the IMF's role–episodic interventions, huge programs, and global financial crises with high stakes for the world's major economies–the intrusion of politics may not be surprising. The World Bank, on the other hand, has more continuous involvement via smaller programs, a profile less obviously prone to external influence. Nonetheless, recent research finds that countries gain privileged access to World Bank resources when they are more important to the U.S., whether measuring importance by UN voting alignment (Kilby 2009) or UNSC membership (Dreher et

al. 2009A).

This paper focuses on global electioneering, investigating whether World Bank lending reflects U.S. interests in the reelection of U.S.-friendly governments. Of all the political dimensions of aid, electioneering is the most intrusive as it impinges on the fundamental function of the domestic political system: the selection of the government. Thus, whether IFIs engage in electioneering is critical to assessing their degree of politicization.

We apply a difference-in-difference approach to explore whether World Bank lending responds differentially to competitive executive elections in countries aligned with the U.S. on United Nations General Assembly (UNGA) votes. From a practical viewpoint, World Bank data have several advantages over the country-year data typically available for aid flows (Dreher and Vaubel 2004, Faye and Niehaus 2012). Project-level World Bank data can distinguish between types of aid that are useful for electioneering and types that are not. Timing information—critical for determining if aid is provided in the run-up to an election rather than far earlier or even after the election (Faye and Niehaus 2012, Appendix)—is precise. For each project, we have the date of the initial loan commitment as well as month-by-month data on subsequent disbursements. Paired with vote-by-vote UNGA data and election dates, World Bank project data enable us to construct variables that match much more precisely the timing implied by theory.

World Bank lending can improve an incumbent government's reelection prospects via two channels, announcement value and expanded government resources. Announcements of new World Bank lending can signal to the electorate the "quality" of the incumbent government, i.e., World Bank support of the government and its policies as well as the government's ability to deliver resources (either as public goods or as private goods for key constituencies). This holds even if there is insufficient time prior to an election for the additional resources to impact voters because of lags between loan commitment and disbursement or lags between government spending and its impact on the economy. However, approving a new project for the purpose of influencing an election (and thus necessarily during a fairly narrow time window) may be logistically impractical given World Bank project preparation procedures.[1] Disbursement of an existing World Bank loan, in contrast, may be easier to influence in a short period of time. This would not provide the opportunity for a well-publicized announcement but would expand government resources directly (through loan disbursement) as well as indirectly (through potentially improved access to private capital, bilateral aid

[1] See Kilby (2013B) for a detailed analysis on the political economy of World Bank project preparation.

and multilateral aid from other sources, especially if receiving the disbursements signals compliance with loan conditions).

World Bank loans fall into one of two categories, investment project lending and development policy lending (DPL). These categories differ significantly in terms of publicity and disbursement profiles and thus would not be interchangeable for electioneering purposes. Approval of investment projects may have some announcement value, but disbursement ramps up relatively slowly so that approval of a new investment project is unlikely to provide significant additional resources within the timeframe relevant for an election.[2] In contrast, DPLs are both high profile and quick-disbursing.[3] Yet the announcement value of a new DPL may well be negative because of controversy over the neoliberal policies underpinning DPLs and public perception of foreign imperialism. As Schneider (2013, 485) points out, "the very existence of a [DPL] program could signal economic incompetence to the electorate." In addition, DPL disbursement may be tied to implementation of contractionary policies that are unlikely to benefit an incumbent government (though enforcement of World Bank conditionality has a decidedly mixed record; e.g., Mosley et al. 1995, Kilby 2009). In summary, the existence of different channels and loan categories through which the World Bank might engage in electioneering necessitates a separate analysis of investment loans and DPLs as well as of new loan commitments and the flow of disbursements from ongoing projects.

We find evidence of electioneering correlated with U.S. geopolitical interests for World Bank investment loan disbursements but not for DPL disbursements or new loan commitments. We first examine projects' disbursement speed which we define in terms of the number of months until 25% of the project commitment amount is disbursed.[4] Disbursement speed for investment loans increases with the recipient country's geopolitical alignment with the U.S. Furthermore, periods before a competitive executive election reveal a strong differential effect: disbursement accelerates for governments aligned with the U.S. and decelerates for governments not aligned with the U.S. For example, consider the impact of

[2] Of 5367 World Bank investment project loans approved between January 1, 1984 and December 31, 2010, only 306 (6%) reached 25% disbursement within a year of approval; the median time to reach 25% disbursement was 34 months. Just 101 investment project loans (2%) reached 50% disbursement within a year of approval; the median time to reach 50% disbursement was 49 months.

[3] Of 1014 World Bank DPLs approved between January 1, 1984 and December 31, 2010, 907 (89%) reached 25% disbursement within a year of approval; the median time to reach 25% disbursement was 4 months. Seven hundred and twelve (70%) reached 50% disbursement within a year of approval; the median time to reach 50% disbursement was 5 months.

[4] The fewer the months to reach 25% disbursed, the greater the disbursement speed. In most cases changing the threshold to 50% or 75% has little impact on results (in terms of sign, significance or magnitude of coefficient estimates). Below we note the few cases where differences arise.

elections with low and high U.S. alignment. On average, World Bank investment projects take 36 months to reach 25% disbursed. If alignment with the U.S. is one standard deviation below the mean, the predicted time to reach 25% disbursed is 39.6 months with no impending election and 41.9 months with an impending election, an increase (slowing) of 2.3 months. If alignment with the U.S. is one standard deviation above the mean, the predicted time to reach 25% disbursed is 32.7 months with no impending election and 30.4 months with an impending election, a decrease (acceleration) of 2.2 months.

Further supporting evidence is provided by a Tobit analysis of monthly disbursement data. For investment projects, disbursements are larger before competitive executive elections than at other times if the country is aligned with the U.S. but smaller otherwise. Again, these patterns do not hold for DPL disbursements.

We do not find strong empirical support for U.S. use of the announcement channel. There is only weak evidence of an increase in new commitments in advance of elections and this effect (if any) does not depend on geopolitical alignment with the U.S. There is, however, a direct link between new commitments and geopolitical alignment with the U.S., a result that mirrors those in earlier studies (Andersen et al. 2006, Dreher et al. 2009A). One potential explanation for the absence of an election effect is the significant amount of time it takes the World Bank to prepare a new project (Kilby 2013B). As a result, electioneering via generating new projects may be logistically impractical.

Section 2 discusses the existing literature in more detail, highlighting the fronts along which the present paper makes progress. Section 3 provides details on the data and discusses modeling choices. Section 4 presents the results of the disbursement speed analysis, section 5 contains the discussion of the Tobit analysis of disbursements at the project-month level and section 6 contains the analysis of new loan commitments. Section 7 discusses the results and their robustness while section 8 concludes.

2 Previous Research

The notion that the U.S. might influence World Bank lending to improve reelection prospects for friendly governments has been suggested in the literature. For example, Schneider (2013) develops a theory of globalized electoral politics which also applies to the World Bank: "In this case, the theory would predict that borrowing countries are more likely to generate electoral cycles in international distributive bargaining if one of the major stakeholders

has a strategic interest in that government's survival." (Schneider 2013, 486) The logic of such global electioneering is built on a set of three premises. First, borrowing governments are able to direct these funds to key groups of voters and this impacts election outcomes. Second, the U.S. engages in global electioneering, i.e., there is a political aid cycle. Third, the U.S. is able to influence the timing and amount of funds allocated by the World Bank. Roughly speaking, these are means, motive, and opportunity.

Anecdotal evidence that recipient governments use aid funds to curry favor from important constituencies abounds. Harder empirical evidence is also now emerging as geo-coded aid data become available to illuminate the subnational distribution of aid. For a sample of 27 countries in Africa, Öhler and Nunnenkamp (2013) find a bias in aid flows toward the birthplace of the country's leader, consistent with government tactics to maintain ethnic-based political support. Briggs (2014) and Jablonski (2014) find similar results in more detailed empirical work on aid to Kenya. Jablonski also presents evidence that aid flows do impact voting (as measured by election victory margins) and thus can help incumbent governments win elections.

Given that incumbents can use additional aid to improve their reelection prospects, does the U.S. provide more funding to favored governments in advance of elections? According to a recent study by Faye and Niehaus (2012), the answer is yes. Bilateral aid from the U.S. increases in election years for governments that vote with the U.S. in the UNGA but decreases in election years for governments that vote against the U.S. While the UNGA has little formal power, UNGA voting is a reasonable measure of the degree to which governments are favored by the U.S. The U.S. administration is in a stronger position both domestically and internationally when it has more support in the UN. The U.S. State Department reports annually to Congress on UNGA voting alignment, in part to justify aid flows. In addition, UN voting alignment is one of the few measures to assess the overlap of interests between governments that is available consistently over long periods of time. Thus, the change in UNGA alignment is a good indicator of whether a government is more or less friendly with the U.S.

Finally, is it possible for the U.S. to influence decisions in the World Bank in this fashion? Despite a charter that prohibits political considerations, past research on the World Bank (and other IFIs) does identify the impact of geopolitics on numerous World Bank activities. Empirical analysis of the geopolitics of World Bank lending begins with Akins (1981) who finds that World Bank commitments reflect U.S. trade flows and bilateral aid. Frey and

Schneider (1986) find that former colonies and current trading partners of the U.S. receive more World Bank funding, ceteris paribus. Gwin (1997) documents how the U.S. executive branch in particular has been able to influence World Bank lending, policies, and practices. The set of geopolitical variables used in the now extensive literature on the political economy of IFIs includes UN voting patterns—especially alignment with the U.S. on UNGA votes designated as important by the U.S. State Department—and temporary membership on the United Nations Security Council (UNSC).[5]

This paper focuses on political cycles in World Bank lending. By taking advantage of variation in geopolitical alignment with the U.S., we identify a supply-side effect that cannot be explained by fluctuation in demand for World Bank funds around elections.[6] The fine-grained nature of World Bank data means timing is known precisely so we can identify resource flows shortly before an election without inadvertently also capturing post-election flows. The data also allow us to differentiate between those types of aid flows with characteristics useful for reelection purposes and other types. As a result, we can subject the political aid cycle hypothesis to more rigorous testing that examines implications along several dimensions, including the exploration of competing explanations.

3 Data and Estimation Method

We begin our analysis by examining the factors that influence the speed at which a World Bank project disburses funds. For each project, we compute the number of months it takes for cumulative disbursements to reach 25% of the total committed amount. Project data come from the World Bank Projects Database (World Bank 2013). These include approval date, commitment amount (for IBRD loans and IDA credits), sector, and lending instrument type for 7,148 projects. In addition, we scraped monthly disbursement data from the on-line version of this database. Disbursement data are available by month for the vast majority of IBRD/IDA projects approved on or after January 1, 1984; our data collection ended September 17, 2013. However, our estimation sample stops in December 2010 because of availability of election data. In addition, covariate data are missing in a few cases (not

[5] Other empirical work on the political economy of the World Bank (and, in particular, on U.S. influence) includes Andersen et al. (2006), Dreher et al. (2009A), Fleck and Kilby (2006), Kilby (2009B, 2013A, 2013B, 2014) and Weck Hannemann and Schneider (1991).

[6] Previous empirical work on World Bank lending and elections is limited to Dreher and Vaubel (2004) which reports lower borrowing from the non-concessional branch of the World Bank in the eighteen month period following an election. Methodologically, our approach parallels that in Dreher (2003) for IMF lending, Dreher et al. (2008) for IMF forecasts, Faye and Niehaus (2012) for bilateral aid, and Hlavac (2013) for UNICEF funds.

yet UN members or missing GDP data), reducing the overall sample to 421,500 monthly observations on 6381 projects. In the analysis below, we use these monthly disbursement data to calculate the speed of disbursement for each project.

[Figure 1 about here]

Figure 1 displays the average cumulative disbursement pattern separately for investment projects and DPLs. The horizontal axis is the number of months since project approval while the vertical axis is cumulative disbursement as a share of total commitments, averaged over either all investment projects or all DPLs. Figure 1 illustrates that disbursement speeds differ dramatically across these types of activities: one year after approval, the average DPL project has disbursed 80% of committed funds while the corresponding number for investment projects is less than 10%.[7] For the following disbursement speed analysis a sample split along this dimension is thus a natural choice both theoretically and empirically. We proceed to discuss the sample of investment projects, followed by DPLs.

[Table 1 about here]

As indicated in Panel A of Table 1, there are 5367 investment projects in our sample. The average investment project takes 36 months for disbursements to reach 25% of the committed amount, ranging from projects where it took only a single month to one that reached the threshold only after 154 months (a $500 million financial intermediary loan to Argentina approved in March 1994).

Special attention is warranted to the definition of the political economy variables *UN Alignment* and *CEE*. *UN Alignment* reflects the degree to which the recipient country's UN voting record matches that of the U.S. The basis for the measure consists of all UN votes that occurred in the previous 12 months and that the U.S. State Department officially designated as 'important.' *UN Alignment* ranges from zero to one, with one indicating perfect alignment.[8] This measure, with minor variations, has been widely used in the

[7] Cumulative disbursement figures may exceed 100% or plateau below 100% for various reasons. Commitment and disbursement figures are reported in USD while the actual loans are in a variety of currencies (e.g., Euro). Thus, reported disbursements may exceed 100% when the dollar declines in value between commitment and disbursement or plateau below 100% when the dollar rises in value between commitment and disbursement. Cancellation of part of the loan amount (for projects finishing under budget or when portions of the planned project are cancelled) also contributes to cumulative disbursements not reaching 100%. Note that the DPL graph implicitly weights recent years more heavily since the advent of single tranche operations transformed larger, multi-tranche operations into more frequent, smaller operations. These latter DPLs are often approved only after conditions are met and so typically disburse quickly and fully.

[8] We assign each vote a 1 if the country and the U.S. vote the same (treating abstentions and absences as equivalent), a 0 if the votes are opposite, and $\frac{1}{2}$ if one party abstains/is absent while the other votes. *UN Alignment* is the average of these values over the 12 month period.

literature on the political economy of foreign aid (e.g. Thacker 1999, Dreher and Jensen 2007). United Nations General Assembly voting data are drawn from Strezhnev and Voeten (2013) and U.S. State Department (1984-2012).

CEE is binary and in any given month takes on the value one if a competitive executive election takes place within the next 12 months, zero otherwise. Data on the timing and competitiveness of recipient country elections are drawn from the National Elections across Democracy and Autocracy (NELDA) database (Hyde and Marinov 2012). Following Hyde and Marinov and also Jablonski (2013), we define competitive elections as elections meeting three criteria: i) there is more than one legal party, ii) opposition is allowed, and iii) there is a choice of candidates on the ballot.

Note that both CEE and UN *Alignment* are available by country at a monthly frequency. To investigate disbursement speed at the project level, we average CEE and UN *Alignment* across the months leading up to and including the month when cumulative disbursement reaches 25% of the committed amount. The mean of 0.12 for CEE indicates that for the average investment project one month in eight falls into a pre-election period. Of our investment project sample, 3223 projects (60% of the sample) have a zero value for CEE, indicating that the project began and reached at least 25% disbursed without there being a forthcoming election in the country. The remaining 2144 projects all include pre-election periods that correspond to a total of 316 competitive executive elections in 89 countries during the years 1984 to 2010.

Approval Period is the project's approval date measured in months since 1960 and thus allows for secular trends. *Approval Period* ranges from 288 (January 1984) to 611 (May 2010) and averages 450 (July 1997). IDA is a dummy variable, equal to 1 for projects that include IDA funding (i.e., no interest loans from the concessional window of the World Bank), some 54 percent of the sample. *Project Size* is the log of the project commitment amount (i.e., the amount of the IBRD loan and/or IDA credit) in 2005 dollars. This ranges from 13.18 (a $470,000 specific investment loan to Tajikistan approved in June 2000) to 21.95 (a $3.75 billion specific investment loan to South Africa approved in April 2010), with an average of 17.64 ($45.8 million).[9]

We also include several widely available macro variables to capture the quality of the policy environment, the level of development, and the country's size. As with the political

[9] Because of skew in the distribution of loan sizes, the average without logs is considerably higher at $83.4 million.

economy variables, these are averaged over the relevant period. $Inflation$ is the annual percentage change in the GDP deflator and ranges from -17 percent to over 6,000 percent (from a project in the Democratic Republic of the Congo with a time frame that includes the hyperinflation year of 1994). GDP is the log of purchasing power parity (PPP) GDP in 2005 dollars, averaging 24.12 ($29 billion) and ranging from 18.42 ($99 million) to 28.98 ($3.9 trillion). *Population* is the log of population which averages 17.10 (27 million people) and ranges from 10.63 (41 thousand people) to 21.01 (1.3 billion people). Data for all three variables are drawn from the WDI (Azevedo 2011, World Bank 2014E).

Turning to the DPL data, Panel B of Table 1 displays the summary statistics for the 1014 DPLs in the dataset. The important difference to note is the drastically higher disbursement speed. DPL projects reach 25% of commitments within a time frame ranging from 1 to 64 months, with an average of less than six months. In contrast to investment projects, DPLs generally have fewer, larger disbursements and complicating matters is the fact that the number of disbursement tranches has changed over time. At the official advent of adjustment lending in the early 1980s, program loans were structured in multiple tranches, each scheduled to disburse if the recipient government reached pre-determined benchmarks by the appointed date. Over time, the World Bank has shifted to single tranche operations where World Bank Executive Board approval of a DPL signals compliance with adjustment conditions and disbursement follows directly.[10] Thus, for analysis at the project level, both comparisons of DPLs over time and aggregation of DPLs over time pose problems.

We control for changing disbursement schedules by including approval period as an explanatory variable in all project-level specifications. In addition, fixed effects for lending instrument type (different types of investment loans and different types of DPLs) and sector board code (functional categories for project activities) control for systematic differences in disbursement speed across those loan categories.

4 Disbursement Speed Analysis

We estimate the baseline specification using Ordinary Least Squares (OLS):

$$\#months_{ij} = \beta_1 UNAlignment_{ij} + \beta_2 CEE_{ij} + \beta_3 X_i + \beta_4 Z_{ij} + \gamma_j + \varepsilon_{ij} \quad (1)$$

[10] The median time from loan approval to reach 50% disbursement has fallen from 14.5 months for DPLs approved in the 1980s to 11 months for DPLs approved in the 1990s to 4 months for DPLs approved since the start of 2000.

The unit of analysis is a project i that takes place in country j. The dependent variable is the number of months it takes for cumulative disbursements to reach the threshold of 25% of the total committed amount.[11] We index the country variables *UN Alignment*, CEE and Z by both i and j because they are based on time-varying country-level data averaged over a project-specific period (the months during which the project's cumulative disbursement were at or below the threshold). The project-specific vector X includes *Approval Period*, IDA, and *Project Size* as well as dummies for lending instrument type and project sector. The country-specific vector Z contains measures of $Inflation$, GDP and *Population*. The model estimated includes country fixed effects (γ_j). Table 2 presents results for investment project loans, Table 3 for DPLs. Reported t-statistics and significance levels are based on country-clustered standard errors.

[Table 2 about here]

Column 1 of Table 2 is our baseline specification for investment project loans. The results indicate that projects take less time to reach 25% disbursement when the government is more aligned with the U.S. in the UN. Furthermore, projects occurring in pre-election periods take a shorter time to reach the threshold although this difference is not statistically significant. The coefficient estimates for *Approval Period* and *Project Size* indicate that more recent and larger projects disburse more quickly, while the distinction between IBRD and IDA has no impact on the disbursement speed. Note that these results do not necessarily indicate favoritism or electioneering: The coefficient on *UN Alignment* might just indicate that when governments vote with the U.S. they also have other characteristics that allow for faster loan disbursements (e.g., higher bureaucratic quality). Any election effect might be a demand story: in the run-up to an election, a government might intensify efforts to secure disbursements from existing World Bank loans.

Column 2 presents the results of the baseline specification with the interaction of the two political economy variables. The results display a differential effect when projects cover a pre-election period: Loan disbursement accelerates prior to an election when the government is aligned with the U.S. In contrast, when governments are not aligned with the U.S. they see a deceleration of disbursements in pre-election months. Note that this result cannot be reconciled with the previous explanations. If governments are simply better at fulfilling requirements necessary to receive disbursements when they also happen to be aligned with

[11] Changing the cut-off threshold does not change results, with one exception discussed below.

the U.S., this effect should be independent of election timing. Similarly, if the election effect were purely a demand effect there would be no difference between cases where a government is aligned with the U.S. and cases where it is not. We thus interpret these results as evidence of electioneering with the goal of supporting administrations that are friendly toward the U.S.

This effect is quantitatively significant. The effect of an upcoming election for a typical country aligned with the U.S. is to shorten the predicted time to reach 25% disbursement by 2.3 months. In the case of a country not aligned with the U.S., the predicted time to reach 25% disbursed increases by 2.3 months.[12]

Our analysis requires us to decide how to treat projects that a) never reach cumulative disbursements of 25% of total commitments or b) have not reached that threshold by the end of our sample, December 2010. Columns 3 and 4 of Table 2 repeat the same estimation using a smaller sample where all of these cases are removed. (By keeping them in the sample, the estimations underlying columns 1 and 2 implicitly assume that the threshold is reached in the last month we observe the project.) The results are not qualitatively different; while the coefficient estimates are generally smaller, their sign and statistical significance are not changed.[13]

[Table 3 about here]

Next we turn to the analysis of DPL projects. Table 3 depicts the results of the same estimations on the new sample. Our main finding is that there is no effect of geopolitical alignment with the U.S. or election-related timing on the disbursement of development policy loans. Note that the drop in the number of observations between columns 3 and 4 versus 1 and 2 is much less than in the previous case (26 versus 808). The reason is the generally shorter duration of DPL projects: since disbursement occurs in big tranches, there are very few projects that never reach 25% of the committed amount and the number of censored projects ("cut off" due to our sample ending) is also considerably smaller.

We also examine the robustness of our result to a change in the cut-off percentage. Since there is no deep theoretical reason to choose 25% of total commitments as the threshold to

[12] For this computation a country "not aligned with the U.S." is one standard deviation below the mean of *UN Alignment* and a country "aligned with the U.S." is one standard deviation above the mean. The effect of an upcoming election is to increase CEE from 0 to 0.29 (the mean conditional on CEE being strictly positive).

[13] The exception is the estimated coefficient for CEE which is now statistically significant in the baseline specification. As an alternative to excluding the censored projects, one could estimate a hazard model which allows for censoring but this suffers from an incidental parameters problem given country fixed effects.

measure disbursement speed, we also use 50% and 75%.

[Table 4 about here]

Table 4 presents the results, reporting only for the key political economy variables. The first three columns contain the 25%, 50% and 75% threshold results for investment projects while the last three show the parallel results for DPLs. As shown in Columns 1-3, increasing the threshold does not affect the significance of our main results. In fact, the coefficients on *UN Alignment*, *CEE* and the interaction all increase as the cut-off moves from 25% to 75%. This finding is intuitive, as the number of months it takes the average project to reach 75% of commitments is higher than for 25%, and acceleration would thus imply a larger change in the number of months.

Columns 4-6 confirm earlier results with no evidence of electioneering for DPLs. The estimated coefficients on *CEE* and the interaction term never reach statistical significance. However, there is a general effect of geopolitical alignment on the disbursement of DPL programs—provided one allows for a sufficiently long time horizon. As the threshold increases, the coefficient on *UN Alignment* increase in magnitude and becomes statistically significant at the highest threshold. The results in Column 6 imply that an increase of two standard deviations in UN Alignment is associated with five month decrease in the time to reach 75% disbursement. Note that on average a DPL project reaches that point after only 15 $\frac{1}{2}$ months, so this is no small effect. The fact that DPLs disburse much more rapidly than investment projects is likely the cause of the lack of a statistically significant result for cut-offs below 75%.

5 Project Level Data at the Monthly Frequency

In this section we approach our question from a different angle. Instead of reducing each project to one observation, we exploit the richness of the data by estimating the determinants of disbursement for each project during each active month separately. While drastically increasing the number of observations, this approach also raises a number of questions, the most important of which we discuss in the following. First, the estimation method needs to take into account the large number of zeros in the data.

[Table 5 about here]

Table 5 provides descriptive statistics for the same investment and DPL projects as before but using the disaggregate monthly data. As Panel A indicates, there are over 400,000 observations corresponding to 5,367 investment projects. The number of months with strictly positive disbursements is about 200,000. Given the substantial number of zeros in this sample (and in the Panel B DPL sample), a simple regression model is not attractive. We account for zeros via a standard Tobit estimation (i.e., modeling latent disbursement) rather than using an estimator that separately models selection and level (e.g., a two part model). We do this because accelerated disbursement may imply adding a larger number of small disbursements in some cases and thus impact coefficient estimates in the level equation in such a model. The speed-of-disbursement estimates in Section 4 above (e.g., months to 25% disbursed) circumvent this problem via aggregation that ignores the microstructure of disbursement. A Tobit likewise would diminish the impact of adding small disbursements since the same parameter reflects both the likelihood of a positive disbursement and the size of that disbursement.[14]

[Figure 2 about here]

Equally important is the need to account for the typical disbursement schedule of World Bank projects. Figure 2 displays the disbursement profiles of investment projects and DPLs, averaged across projects by month. Disbursement for DPLs clearly tends to be front-loaded, with falling disbursement shares throughout the life of the project. In contrast, investment project disbursement profiles have a hump-shape with the largest disbursements (as a share of total commitment) occurring at about three years after the beginning of the project. In both cases, disbursement is not uniform over the project's life cycle, and the probability of a disbursement in a given month therefore depends on the age of the project. We include a third-order polynomial in the duration of the project in our specification to control for this kind of "loan life cycle" effect. Lastly, a key variable that is expected to influence the frequency of disbursements is the overall size of the project. We thus include the total commitment amount, both directly and interacted with the duration polynomial terms, to control for project life cycle effects that may in turn differ depending on project size.

[14] In principle, one could look at the unconditional marginal effect in a Heckman selection model but there is no theoretical foundation for exclusion restrictions. The concern that added small disbursements could impact estimation results is borne out as estimation of a two part model yields selection equation results that are consistent with the earlier speed-of-disbursement estimates and the Tobit results below but level equation results which are not.

The complete specification is given by:

$$\begin{aligned} d_{ijt} &= \beta_1 UNAlignemnt_{jt} + \beta_2 CEE_{jt} + \beta_3 X_i + \beta_4 Z_{jt} + \beta_5 Month_t + \beta_6 Month_t^2 + \beta_7 Month_t^3 \\ &+ \beta_8 Project\ Size_i + \beta_9 Project\ Size_i \times Month_t + \beta_{10} Project\ Size_i \times Month_t^2 \\ &+ \beta_{11} Project\ Size_i \times Month_t^3 + \gamma_j + \varepsilon_{ijt} \end{aligned}$$

$$Disbursement_{ijt} = \begin{cases} d_{ijt} & if\ d_{ijt} > 0 \\ 0 & if\ d_{ijt} \leq 0 \end{cases} \tag{2}$$

As before, the subscripts indicate project i in country j at time t. $Month$ is the number of months the project has been active. d_{ijt} is latent disbursement, observed as actual disbursement ($Disbursement_{ijt}$) only when positive. X_i includes the IDA dummy as well as lending instrument type and sector dummies. Z_{jt} is the usual vector of macro variables, i.e., inflation, log of GDP and log of population. The model estimated includes country fixed effects (γ_j).[15] Standard errors are clustered at the project level to allow for potential within-project correlation.

[Table 6 about here]

Table 6 presents Tobit estimation results. Note that our analysis has shifted from "time" to "amount" so positive values now indicate better access to World Bank resources. The results of Column 2 are consistent with the global electioneering story for investment project disbursements at the monthly frequency. While *UN Alignment* has no impact on latent disbursements on average (Column 1), the interaction with CEE in Column 2 is positive and statistically significant at the 5% level. In order to interpret this effect in terms of observable disbursements, we use the estimates from Table 6, Column 2 to calculate the change in expected disbursements due to elections (i.e., moving from $CEE = 0$ to $CEE = 1$) across the range of values for *UN Alignment* with other variables held at their sample means. Figure 3 presents the results.

[Figure 3 about here]

The solid line in Figure 3 is the estimated impact of an upcoming competitive executive election at different levels of UN alignment with the U.S. in the preceding 12 months. The

[15] Because the unit of observation is the project-month, $T >> N$ and country dummies can be estimated consistently.

dotted lines give the 90% confidence interval. The histogram at the bottom of the graph indicates the distribution of the data, i.e., what share of the observations occurs at each UN alignment value.[16] The figure shows that for governments with low U.S. alignment (*UN alignment* below 0.4, 43% of observed cases) expected disbursement is lower when there is an election. This negative effect is statistically significant for *UN alignment* below 0.23 (16.8% of the observed cases). Conversely, for governments with high U.S. alignment (*UN alignment* above 0.4, 57% of observed cases), expected disbursement is higher when there is an election. This positive effect is statistically significant for *UN alignment* above 0.52 (31.7% of the observed cases).

Returning to Table 6, Columns 3 and 4 (and expected disbursement calculations shown in Figure 4) confirm our previous result: the influence of elections is limited to investment loans. Neither *UN Alignment* nor *CEE* has a statistically significant effect on monthly disbursements of DPLs in the latent variable model. As shown in Figure 4, across the range of values of *UN alignment*, expected disbursements are not statistically different when there is an election.

[Figure 4 about here]

6 Commitment Analysis

As the third part of our analysis, we turn to the political economy of loan commitments. This relates to the announcement effect–electioneering potentially takes the form of allowing incumbent governments to announce new projects to boost their reelection prospects. As this question needs to be analyzed at the country level, the country-month (rather than the project-month) now becomes the unit of analysis and we aggregate across projects. In addition, we include all months from our time period, not only those with active World Bank projects. The result is a balanced, rectangular panel with 46,332 observations (143 countries with 324 monthly observations each–January 1984 to December 2010). We then use data on eligibility for World Bank loans to reduce the sample to the relevant observations. Information on IBRD and IDA eligibility is taken from Knack et al. (2012) and World Bank (2014A-D).

[Table 7 about here]

[16] The histogram axis is omitted to simplify the figure.

Table 7 presents the summary statistics. Omitting periods of non-eligibility and cases with missing data reduces the sample to 38,567 observations and 143 countries. There are 4,831 total non-zero observations for *Commitment*.[17] This number is lower than the number of projects in the disbursement analysis because of aggregation to the country-month level; in some cases, there is more than one project per country-month. Note also that we only consider the first commitment for each project in this analysis.[18] The mean for CEE is 0.11. Of the 38,567 country-months in the sample, 4,087 fall into the 'pre-election' category.

Formally, the specification we estimate is defined in terms of latent commitments (c_{jt}):

$$c_{jt} = \beta_1 UNAlignment_{jt} + \beta_2 CEE_{jt} + \beta_3 Z_{jt} + \gamma_j + \gamma_t + \varepsilon_{jt}$$

$$Commitment_{jt} = \begin{cases} c_{jt} & if\ c_{jt} > 0 \\ 0 & if\ c_{jt} \leq 0 \end{cases} \tag{3}$$

Here $Commitment_{jt}$ are new commitments of funds from the World Bank (either for investment projects only, DPLs only, or pooled depending on the specification) to country j in period t. The vector of country-specific variables again controls for inflation, real GDP and population. The model estimated includes year dummies (γ_t) and country fixed effects (γ_j).[19] Standard errors are again clustered at the country level to allow for potential within-country correlation.

[Table 8 about here]

Table 8 presents the results. Overall, there is evidence of geopolitical influence on new World Bank commitments. The estimated coefficient on *UN Alignment* is positive, sizable and statistically significant throughout. However, there is only weak evidence of an election effect in Columns 1 and 5, and the statistical insignificance (and "wrong" sign) of the interaction term means that this may simply reflect demand: administrations that face an upcoming election may intensify their efforts to secure new loans, especially to finance investment projects which do not come with politically unpopular conditions. Analyzing the marginal effect of CEE on the expected level of commitments (based on estimates from

[17] This number refers to pooled commitments which can either by investment projects or DPLs. Separately, the number of non-zero observations is 4,187 for investment projects and 945 for DPLs.

[18] There are 476 observations with additional commitments occurring at later points in the life of the project. As these additional commitments presumably have little to no announcement value for local politicians, we omit them for this analysis. That is not to say that the question whether these 'tagged-on' funds are politically motivated is uninteresting; it is just one that falls outside the scope of this paper.

[19] Again because we have monthly observations, $T >> N$ and country dummies can be estimated consistently.

Column 1), we find that an upcoming election increases expected new commitments for investment projects by 15% relative to the case without an election. Turning to the marginal effect of increasing alignment with the U.S. on the size of new DPL commitments, the results reported in Column 3 imply that a two-standard-deviation increase raises expected commitments by 16.7%. In sum, this analysis of new loan commitments does yield evidence of geopolitical influence but no clear support for electioneering at the commitment phase.

7 Discussion and Robustness

In this section we examine alternative explanations for our results and assess their plausibility, considering both potential endogeneity and robustness. First, we focus on the exogeneity of the timing of competitive elections. Elections sometimes occur before or after their originally scheduled date, which may violate the assumption that CEE is uncorrelated with the error term, for example if the election date is changed by the incumbent to take advantage of World Bank loan disbursements.[20] NELDA election data identify elections that did not occur at the originally scheduled date.[21] We do not observe the exact reasons for moving the date of the election so we take the most conservative stance and view all such elections as potentially endogenous.

[Table 9 about here]

Table 9 shows that our results do not hinge on these suspect elections. Columns 1 through 4 replicate the main specifications from Table 2 (disbursement speed for investment projects), Table 3 (disbursement speed for DPLs), and Table 6 (monthly disbursements for investment projects and for DPLs). In each case, we use a sample that omits all observations where the timing of elections may be endogenous.[22] Comparing Column 1 of Table 9 with Column 2 of Table 2 (disbursement speed for investment projects) we see that dropping elections with changed dates shrinks the estimation sample by 460 observations from 5367

[20] Faye and Niehaus (2012) present evidence suggesting that endogenous election timing to take advantage of aid inflows is not prevalent. However in a different context, Ito (1990) finds that elections in Japan were timed to take advantage of economic expansions.

[21] We use the variable *nelda*6 which is the answer to the question: "If regular, were these elections early or late relative to the date they were supposed to be held per established procedure?" In case the answer is "N/A" we referred to the election-specific notes to assess whether the timing of the election could have been influenced by loan disbursements. In 36 out of 43 "N/A" cases we characterized the election as potentially endogenous. In total, 80 of the 316 competitive executive elections did not take place on schedule.

[22] NELDA data do not generally allow us to identify endogenous "non-elections," i.e., months that would have had elections if the election date had not been changed.

projects to 4907 projects. This 8% reduction in the sample has little impact on the results in terms of sign, size and significance. Turning to Column 2 of Table 9 as compared with Column 2 of Table 3 (disbursement speed for DPLs), the sample shrinks by 42 observations from 1014 to 972. This 4% reduction in the sample again has little impact; *UN Alignment*, *CEE*, and their interaction remain far from significant (although the signs of the estimated coefficients for *UN Alignment* and *CEE* do change). Likewise, Column 3 of Table 9 shows little change from Column 2 of Table 6 (Tobit results for monthly disbursements to investment projects); the number of projects declines by 1, the number of monthly observations falls from 401,857 to 391,790 (2.5%), and the sign, size and significance of *CEE* and the interaction term change very little. The estimated coefficient on *UN Alignment* switches from negative to positive but in any case remains small in absolute value and statistically indistinguishable from zero. Finally, Column 4 of Table 9 compares with Column 4 of Table 6 (Tobit results for monthly disbursements to DPLs). Dropping elections with date changes reduces the sample from 19,643 to 18,839 (4%). While the magnitude of some key coefficients changes, they remain statistically insignificant and their signs are unchanged. Instead of omitting the observations with suspect elections one could alternatively set the value of *CEE* to zero and keep the observation in the sample. This approach has the advantage of leaving the number of observations unchanged. Our results are robust to this approach, as well.

In addition to the question of endogenous election timing, we also explore the plausibility of scenarios in which disbursement speed could impact UN voting. Consider an incumbent executive whose preferences over UN votes align with the U.S. more than do those of their constituents. Facing reelection, the incumbent can garner popular support either by catering to domestic preferences regarding the UN or by providing public and private goods. When World Bank funds disburse more quickly, the incumbent can provide more goods—instead of altering its UN votes to pander to an anti-U.S. public. In this scenario, an exogenously driven acceleration of World Bank disbursements increases UN voting alignment with the U.S., i.e., there is reverse causation. Note that this scenario also implies that, in general, UN voting alignment with the U.S. should be lower prior to elections (when unpopular actions have more immediate consequences) than at other times. Yet we do not find this pattern in the data. Using country/month data and regressing *UN Alignment* on *CEE*, the estimated coefficient on *CEE* is positive (though not significant). We also find a positive relationship with slightly more sophisticated specification that includes country dummies (to allow for

country variation in the UN voting patterns and in the frequency of competitive elections) and time dummies (to allow for the downward trend in UN voting alignment with the U.S. and the upward trend in the frequency of competitive elections). This pattern is inconsistent with the reverse causation story just outlined.

Perhaps a simpler story of reverse causation is that incumbent governments expect disbursements-for-votes and that expectation drives their UN voting. We are less concerned with this story for several reasons. First, the pattern identified (faster disbursement prior to competitive elections for incumbents aligned with the U.S.) also holds for UN votes not designated "important" by the U.S. State Department, a pattern consistent with support for a government with similar preferences rather than vote-buying per se. Second, there is little reason to think that the U.S. would be more interested in buying votes from governments facing a contested reelection than from other governments. Finally, the pattern would only be observed if World Bank disbursements did indeed follow the expected disbursements-for-votes behavior. Since this is the behavior we are trying to identify, it does not matter for our purposes whether the UN votes happen because payment was anticipated or for other reasons.

Turning to robustness, we subject our election measure to a variety of tests. First, we experiment with different pre-election windows, including both 6 month and 18 month windows. In the disbursement speed estimations, all results are robust to shortening the CEE window to half a year. However, the results of the Tobit analysis on monthly data become weaker, with the interaction term remaining positive but missing significance at the 10% level. This finding underlines the notion that electioneering is by definition forward-looking; by constructing the pre-election period too narrowly we run the danger of underestimating the effect.

Lengthening the window to 18 months leaves all of our results intact. In fact, the Tobit results for monthly project-level data are estimated with higher precision, suggesting that even one year might fall short of the true window of influence of an upcoming election.

Next, we conduct a placebo test by examining non-competitive elections rather than competitive ones. If the response we see in World Bank disbursements is an attempt to influence the outcome of elections, there is no reason to expect it in the case of non-competitive elections where extra funding for friendly incumbents or reduced funding for unfriendly incumbents would have no impact on the outcome. Consistent with this interpretation, we do

not find any significant election effects for the non-competitive cases.[23]

This paper focuses on U.S. influence in the World Bank—but could the pattern we find be an indirect effect of U.S. influence in the IMF? Cross conditionality—where World Bank loan disbursement depends on the borrowing government meeting IMF program conditions—is another possible channel. We investigate this using data on new and ongoing IMF programs from Dreher (2006—updated by Dreher to 2012). First, we include a dummy for new or ongoing IMF programs in our speed of disbursement specification for investment project loans. The estimated coefficient on the IMF dummy is close to zero and far from statistically significant and there is little impact on other coefficient estimates or their statistical significance. Next we divide the sample between those observations with IMF programs and those without. Estimation results are very similar to those reported earlier (e.g., Table 2, Column 2) for both sub-samples, strongly suggesting that our findings are unrelated to events at the IMF.

Finally, we consider other alignment measures. As mentioned above, the key results (negative and significance coefficients on $UN\ Alignment$ and $CEE \times UN\ Alignment$) hold whether we consider alignment with the U.S. on important votes, other votes or all votes. This acceleration of disbursements for aligned governments facing competitive elections also holds if we instead use the ideal point estimates from Bailey et al. (2013), whether they are based on all votes or important votes. Likewise, using UN voting alignment with the G7 yields similar results with a negative and significant coefficient on $CEE \times UN\ Alignment$ again indicating accelerated disbursement for aligned governments facing competitive elections. Following Copelovitch (2010), we also consider a common agency framework and explore the impact of heterogeneity in G7 preferences by including G7 UN alignment, the variance of G7 UN alignment, and their interaction. The latter two terms prove insignificant, suggesting that preference heterogeneity does not play a significant role in determining outcomes in this setting.[24]

[23] Non-competitive elections are all those elections not included in our previous analysis, i.e., elections where opposition is not allowed or where there was only one legal party or where there was no choice of candidates on the ballot. There are 13 non-competitive executive elections in the NELDA data for our sample (as compared to 316 competitive elections).

[24] Nonetheless, there are notable differences between the roles of U.S. voting alignment and other G7 voting alignments. In addition, alignment with the U.S. on important and other votes is much more similar than for other G7 countries—the opposite of what one might expect—especially when considering partner countries outside of Europe. All this points to the need for further research on the determinants of UN voting alignment.

8 Conclusion

This paper explores global electioneering in international financial institutions using the case of the United States and the World Bank. We examine whether World Bank lending favors the reelection of U.S.-friendly governments. There are several channels through which lending can improve the reelection prospects of incumbent governments. Consequently, we analyze the speed and magnitude of disbursements from existing loans as well as approval of new loans. Identification of electioneering relies on the borrowing country's geopolitical alignment with the U.S. as indicated by voting behavior in the UN.

Using monthly data for over 6000 World Bank projects, we find that the disbursement of investment project loans accelerates if a borrowing government faces an upcoming election and has been voting with the U.S. in the UN. In the case of low geopolitical alignment with the U.S., disbursement decelerates in the run-up to an election. Shifting from disbursement speed (e.g., how quickly 25% of a loan disburses) to monthly disbursement amounts for investment projects, a Tobit analysis yields similar results: expected disbursements increase in the months before an election if the incumbent government is aligned with the U.S. but decrease if the incumbent government is not aligned with the U.S. However, neither analysis indicates such a political cycle for Development Policy Lending or in the case of non-competitive elections where incumbent government victory is assured with or without World Bank funds.

We also find new commitments (i.e., the awarding of new loans) depend on political economy factors but in a different way. Geopolitical alignment with the U.S. results in more commitments for investment projects as well as DPLs. There is a weak election effect but this effect does not hinge on geopolitical alignment with the U.S. Thus, we cannot rule out that demand by the borrowing government, rather than electioneering by the U.S., is the driving factor in any link between loan commitments and elections.

The question of whether the World Bank engages in electioneering–a pattern of lending that could bias election outcomes–is central for an organization that purports to be apolitical. Certainly, the most political act for a development agency is interfering in a client's election process. Politicization of international financial institutions undermines the international order and risks reducing their development effectiveness in myriad ways. In our example, accelerating disbursement could reduce oversight and create an environment ripe for corruption. It may rush physical implementation, leading to inefficiencies, substandard

practices, and poor outcomes. Delaying disbursement could equally lower implementation quality and set back project completion, reducing or postponing project benefits and thus lowering the rate of return.

What is more, politicization changes the incentives borrowing governments and their implementing agencies face because they expect the continued flow of funding to hinge on geopolitics rather than successful implementation or economic impact. The threat to cut aid due to poor economic performance is hardly credible when the recipient knows the aid is politically motivated.

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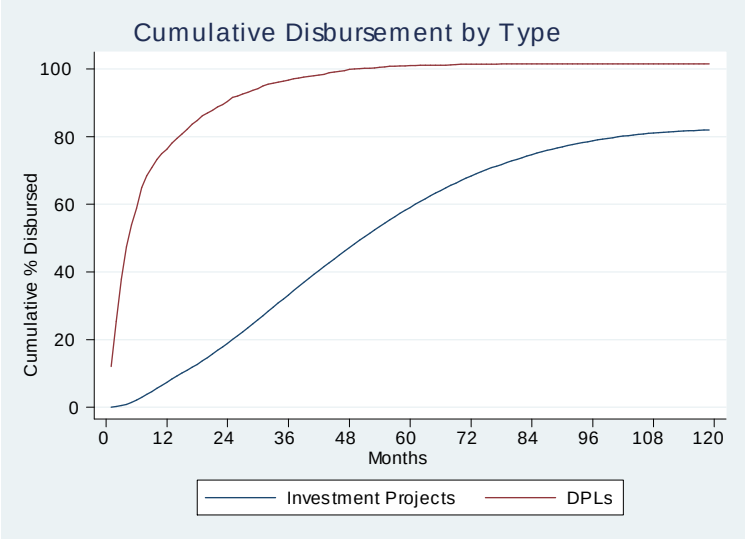

Figure 1: Cumulative Disbursement by Type

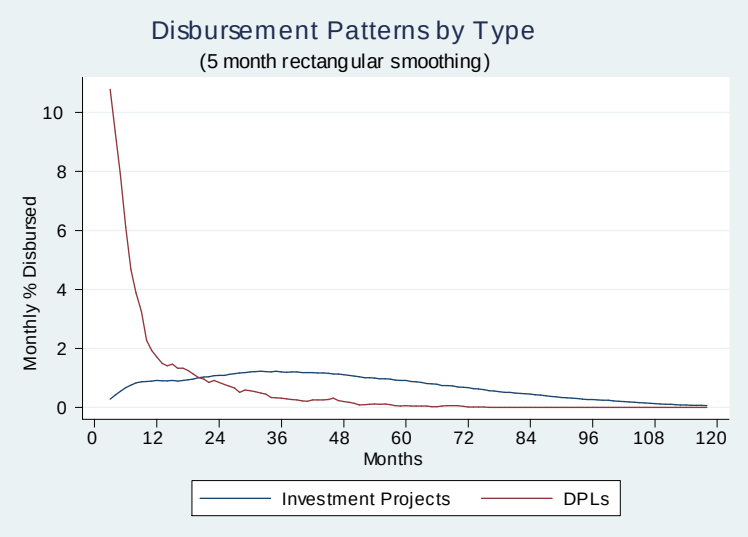

Figure 2: Disbursement Patterns by Type

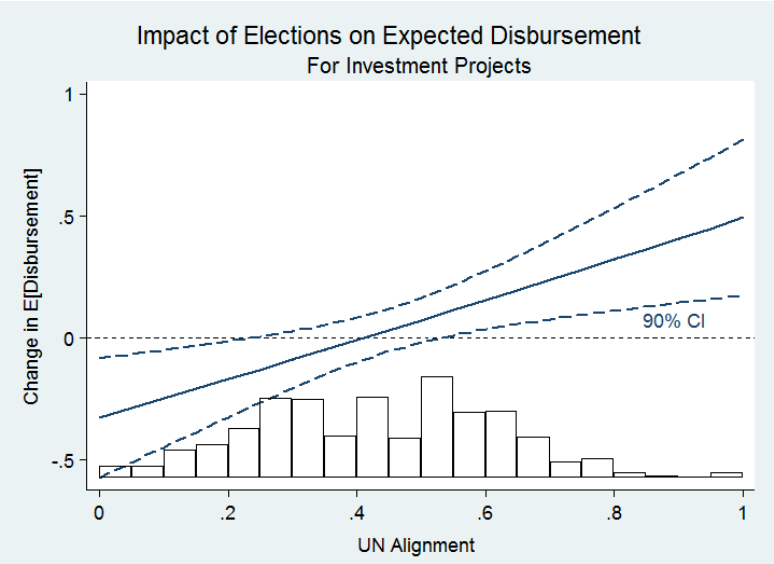

Figure 3: Impact of Elections on Expected Disbursement for Investment Projects

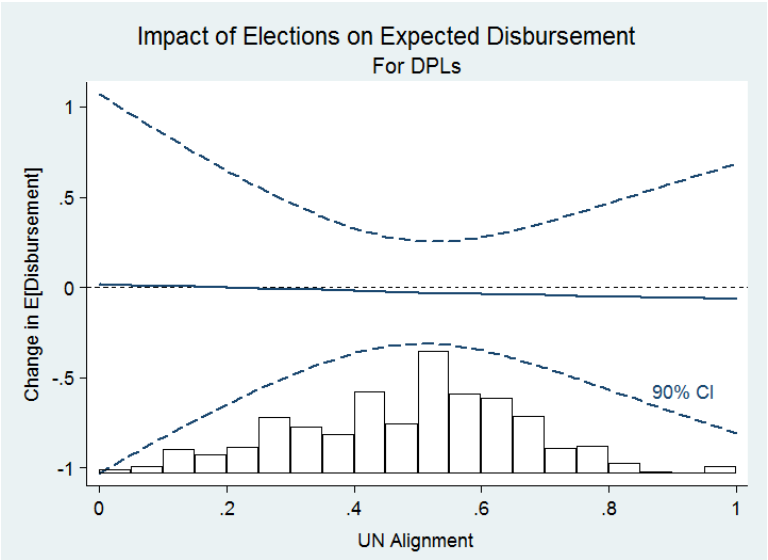

Figure 4: Impact of Elections on Expected Disbursement for DPLs

Table 1: Descriptive Statistics for Speed of Disbursement Regressions

Panel A: Investment Projects					
	Mean	SD	Min	Max	Description
$\#Months$	35.99	19.39	1	154	Months from approval to 25% disbursement
UN Alignment	0.44	0.17	0	1	Alignment with U.S. on important UN votes
CEE	0.12	0.18	0	1	Competitive Executive Election
Approval Period	450.46	91.82	288	611	Project approval date (in months since 1960)
IDA	0.54	0.50	0	1	=1 if project received IDA commitments
Project Size	17.64	1.22	13.18	21.95	Log of commitment amount in 2005 dollars
$Inflation$	0.44	2.43	-0.17	60.76	Annual % change in GDP deflator (1=100%)
GDP	24.12	2.17	18.42	28.98	Log of PPP GDP in 2005 dollars
Population	17.10	1.97	10.63	21.01	Log of population
Observations	5367				IBRD/IDA investment projects approved between January 1984 and December 2010
Panel B: DPLs					
	Mean	SD	Min	Max	Description
$\#Months$	5.67	6.39	1	64	Months from approval to 25% disbursement
UN Alignment	0.45	0.19	0	1	Alignment with U.S. on important UN votes
CEE	0.14	0.32	0	1	Competitive Executive Election
Approval Period	482.63	92.34	288	611	Project approval date (in months since 1960)
IDA	0.54	0.50	0	1	=1 if project received IDA commitments
Project Size	18.48	1.23	13.12	21.99	Log of commitment amount in 2005 dollars
$Inflation$	0.33	1.85	-0.17	45.24	Annual % change in GDP deflator (1=100%)
GDP	23.69	1.94	18.71	27.85	Log of PPP GDP in 2005 dollars
Population	16.58	1.54	11.16	20.91	Log of population
Observations	1014				IBRD/IDA Development Policy loans approved between January 1984 and December 2010

The values of *UN Alignment*, CEE, $Inflation$, GDP, and *Population* vary through the life of project/DPL;
figures reported are averages over the period from when project/DPL is approved until it reaches 25% disbursement threshold.

Table 2: Time to 25%+ Disbursement, Investment Projects

	(1)	(2)	(3)	(4)
UN Alignment	-24.92***	-19.94***	-13.07**	-10.06*
	(-4.17)	(-3.15)	(-2.48)	(-1.81)
CEE	-1.686	20.24***	-4.045**	10.14
	(-0.94)	(2.85)	(-2.22)	(1.64)
$\times$ *UN Alignment*		-45.98***		-29.32**
		(-3.36)		(-2.46)
Approval Period	-0.248***	-0.254***	-0.205***	-0.209***
	(-7.39)	(-7.56)	(-6.22)	(-6.35)
IDA	-0.200	-0.335	0.861	0.752
	(-0.15)	(-0.25)	(0.63)	(0.55)
Project Size	-1.294**	-1.272**	-1.026*	-1.022*
	(-2.28)	(-2.22)	(-1.91)	(-1.89)
Inflation	-0.0914	-0.0937	-0.434**	-0.442**
	(-0.30)	(-0.31)	(-2.50)	(-2.56)
GDP	19.28***	20.32***	21.54***	22.20***
	(5.20)	(5.29)	(5.54)	(5.59)
Population	60.47***	61.32***	52.53***	53.09***
	(4.68)	(4.78)	(4.30)	(4.38)
Observations	5367	5367	4559	4559

t statistics in parentheses based on country-clustered standard errors. All specifications include unreported country, lending instrument type and sector dummies. Dependent variable is *#Months*, the number of months to reach 25% disbursement. *UN Alignment* is voting coincidence with the U.S. on UNGA votes designated as important by the U.S. State Department. *CEE* indicates overlap with the 12 month period prior to a competitive executive election. *Approval Period* is the project approval date measured in months since 1960. *IDA* is a dummy variable indicating projects that receive IDA commitments. *Project Size* is the log of the commitment amount in 2005 dollars. *Inflation* is the percentage change in the GDP deflator. *GDP* is the log of PPP GDP in 2005 dollars. *Population* is the log of population. *UN Alignment*, *CEE*, *Inflation*, *GDP*, and *Population* are period averages.
(1) and (2) include investment projects that reach (or exceed) 25% disbursements in our data as well as those that end before reaching 25% disbursement or that have not yet reached 25% disbursement at the end of our sample (December 2010).
(3) and (4) include only investment projects that reach (or exceed) 25% disbursements in our data.
***<0.01 **<0.05 *<0.1

Table 3: Time to 25%+ Disbursement, DPLs

	(1)	(2)	(3)	(4)
UN Alignment	-0.675	-0.466	0.112	0.117
	(-0.35)	(-0.23)	(0.07)	(0.07)
CEE	-0.208	0.537	-0.242	-0.225
	(-0.39)	(0.47)	(-0.51)	(-0.21)
$\times$ *UN Alignment*		-1.568		-0.0354
		(-0.61)		(-0.02)
Approval Period	-0.0290***	-0.0291**	-0.0330***	-0.0330***
	(-2.64)	(-2.64)	(-3.93)	(-3.92)
IDA	0.381	0.411	0.353	0.353
	(0.23)	(0.25)	(0.22)	(0.21)
Project Size	-0.458	-0.452	-0.755**	-0.755**
	(-1.10)	(-1.08)	(-2.07)	(-2.05)
Inflation	0.122	0.119	-0.0295	-0.0296
	(0.84)	(0.82)	(-0.81)	(-0.81)
GDP	6.255***	6.255***	5.454***	5.454***
	(2.90)	(2.89)	(2.81)	(2.81)
Population	-1.474	-1.428	0.733	0.734
	(-0.44)	(-0.42)	(0.27)	(0.27)
Observations	1014	1014	988	988

t statistics in parentheses based on country-clustered errors. All specifications include unreported country, lending instrument type and sector dummies. Dependent variable is *#Months*, the number of months to reach 25% disbursement. *UN Alignment* is voting coincidence with the U.S. on UNGA votes designated as important by the U.S. State Department. *CEE* indicates overlap with the 12 month period prior to a competitive executive election. *Approval Period* is the project approval date measured in months since 1960. *IDA* is a dummy variable indicating projects that receive IDA commitments. *Project Size* is the log of the commitment amount in 2005 dollars. *Inflation* is the percentage change in the GDP deflator. *GDP* is the log of PPP GDP in 2005 dollars. *Population* is the log of population. *UN Alignment*, *CEE*, *Inflation*, *GDP*, and *Population* are period averages.

(1) and (2) include DPLs that reach (or exceed) 25% disbursements in our data as well as those that end before reaching 25% disbursement or that have not yet reached 25% disbursement at the end of our sample (December 2010).

(3) and (4) include only DPLs that reach (or exceed) 25% disbursements in our data.

***<0.01 **<0.05 *<0.1

Table 4: Time to 25%, 50%, and 75% Disbursement

	(1)	(2)	(3)	(4)	(5)	(6)
UN Alignment	-19.94***	-28.29**	-37.95**	-0.466	-5.652	-15.17***
	(-3.15)	(-2.44)	(-2.45)	(-0.23)	(-1.46)	(-2.77)
CEE	20.24***	43.37***	66.97***	0.537	1.507	1.146
	(2.85)	(3.15)	(3.46)	(0.47)	(0.55)	(0.35)
$\times$ *UN Alignment*	-45.98***	-90.08***	-134.1***	-1.568	-0.523	1.385
	(-3.36)	(-3.33)	(-3.42)	(-0.61)	(-0.09)	(0.18)
Observations	5367	5367	5367	1014	1014	1014

t statistics in parentheses based on country-clustered standard errors. All specifications include *Approval Period*, *IDA*, *Project Size*, *Inflation*, *GDP*, and *Population* as well as country, lending instrument type and sector dummies. *UN Alignment* is voting coincidence with the U.S. on UNGA votes designated as important by the U.S. State Department. *CEE* indicates overlap with the 12 Month period prior to a competitive executive election. *UN Alignment* and *CEE* are period averages.
(1) Dependent variable is number of months to reach 25% disbursement for investment projects (repeats Table 2, Column 2)
(2) Dependent variable is number of months to reach 50% disbursement for investment projects
(3) Dependent variable is number of months to reach 75% disbursement for investment projects
(4) Dependent variable is number of months to reach 25% disbursement for DPLs (repeats Table 3, Column 2)
(5) Dependent variable is number of months to reach 50% disbursement for DPLs
(6) Dependent variable is number of months to reach 75% disbursement for DPLs
***<0.01 **<0.05 *<0.1

Table 5: Descriptive Statistics for Disbursement Tobit

Panel A: Investment Projects						
	Frequency	Mean	SD	Min	Max	Description
Disbursement	monthly	6.19	6.74	0	19.96	Log of (disbursement amount + 1)
UN Alignment	monthly	0.43	0.19	0	1	Alignment with U.S. on important UN votes
CEE	monthly	0.12	0.32	0	1	Competitive Executive Election
IDA	by project	0.54	0.50	0	1	=1 if project received IDA commitments
Project Size	by project	17.72	1.18	13.18	21.95	Log of commitment amount
Inflation	annual	0.50	5.09	-0.29	267.62	Annual % change in GDP deflator (1=100%)
GDP	annual	24.20	2.18	18.42	28.98	Log of PPP GDP in 2005 dollars
Population	annual	17.19	1.98	10.62	21.01	Log of population
No. of projects	5367					
No. of observations	401857					
Panel B: DPLs						
	Frequency	Mean	SD	Min	Max	Description
Disbursement	monthly	4.34	6.94	0	21.99	Log of (disbursement amount + 1)
UN Alignment	monthly	0.48	0.18	0	1	Alignment with U.S. on important UN votes
CEE	monthly	0.15	0.35	0	1	Competitive Executive Election
IDA	by project	0.57	0.50	0	1	=1 if project received IDA commitments
Project Size	by project	18.62	1.11	13.12	21.99	Log of commitment amount
Inflation	annual	0.37	1.91	-0.17	45.24	Annual % change in GDP deflator (1=100%)
GDP	annual	23.45	1.88	18.71	27.85	Log of PPP GDP in 2005 dollars
Population	annual	16.44	1.36	11.16	20.91	Log of population
No. of projects	1014					
No. of observations	19643					

In the case of a negative value for disbursement, disbursed amount is set to zero.

Disbursement and commitment amounts are in 2005 dollars based on approval year.

Table 6: Tobit Analysis of Disbursements at the Project/Month Level - Investment Projects vs. DPLs

	(1)	(2)	(3)	(4)
UN Alignment	0.138	-0.0389	-4.122	-4.092
	(0.25)	(-0.07)	(-1.50)	(-1.48)
CEE	0.0649	-0.654**	-0.126	0.0166
	(0.63)	(-2.17)	(-0.20)	(0.01)
$\times$ *UN Alignment*		1.590**		-0.278
		(2.54)		(-0.08)
IDA	0.0537	0.0584	1.324	1.328
	(0.16)	(0.17)	(0.57)	(0.57)
Inflation	-0.0747***	-0.0747***	-0.267	-0.267
	(-6.76)	(-6.76)	(-1.58)	(-1.58)
GDP	-0.537	-0.580	-8.485***	-8.484***
	(-1.13)	(-1.22)	(-3.60)	(-3.60)
Population	4.059***	4.042***	-8.862	-8.866
	(3.41)	(3.40)	(-1.54)	(-1.54)
Projects	5367	5367	1014	1014
Observations	401857	401857	19643	19643

t statistics in parentheses based on project-clustered standard errors. The dependent variable is log of (disbursement + 1). All Tobit specifications include unreported country, lending instrument type and sector dummies. The lower limit for the Tobit is zero. All specifcations also include controls for disbursement timing, namely a third-order polynomial in the age of the project in months. In addition, the size of the project is controlled for both separately and in the form of interactions with the project time variables (see text for full specification). *UN Alignment* is voting coincidence with the U.S. on UNGA votes designated as important by the U.S. State Department. *CEE* indicates overlap with the 12 month period prior to a competitive executive election. *Inflation* is the percentage change in the GDP deflator. *GDP* is the log of PPP GDP in 2005 dollars. *Population* is the log of population.
(1) and (2) present results for investment projects, (3) and (4) present results for DPLs.
***<0.01 **<0.05 *<0.1

Table 7: Descriptive Statistics for Commitment Analysis

	Mean	SD	Min	Max	Description
Commitment (*INV*)	1.93	5.53	0	21.95	Log of (commitment amount for investment projects +1)
Commitment (*DPL*)	0.45	2.87	0	21.98	Log of (commitment amount for DPLs +1)
Commitment (*pooled*)	2.24	5.95	0	22.11	Log of (total commitment amount +1)
UN Alignment	0.46	0.20	0	1	Alignment with U.S. on important UN votes
CEE	0.11	0.31	0	1	Competitive Executive Election
Inflation	0.65	6.75	-0.30	267.62	Annual % change in GDP deflator (1=100%)
GDP	22.89	2.02	18.42	28.98	Log of PPP GDP in 2005 dollars
Population	15.68	1.96	10.62	21.01	Log of population
No. of countries	143				
No. of observations	38567				

Commitment amounts in 2005 dollars.

Table 8: Tobit Analysis of Commitments

	(1) INV projects	(2) INV projects	(3) DPL projects	(4) DPL projects	(5) All projects	(6) All projects
UN Alignment	6.674*	6.986*	17.17***	15.65**	8.577**	8.612**
	(1.75)	(1.83)	(2.65)	(2.44)	(2.32)	(2.35)
CEE	1.407*	2.901	1.406	-4.385	1.333*	1.500
	(1.82)	(1.53)	(0.96)	(-1.13)	(1.72)	(0.85)
$\times$ *UN Alignment*		-3.134		12.15		-0.350
		(-0.87)		(1.59)		(-0.10)
Inflation	-0.00533***	-0.00534***	-0.00512*	-0.00507*	-0.00490***	-0.00490***
	(-3.29)	(-3.28)	(-1.73)	(-1.71)	(-4.00)	(-4.00)
GDP	2.360	2.394	1.444	1.368	1.753	1.757
	(0.91)	(0.92)	(0.29)	(0.27)	(0.68)	(0.69)
Population	4.745	4.721	17.22*	17.12*	6.034	6.032
	(0.72)	(0.72)	(1.95)	(1.95)	(0.99)	(0.99)
Observations	38567	38567	38567	38567	38567	38567

t statistics in parentheses based on country-clustered standard errors. Dependent variable is the log of (commitment+1). Only first commitments are considered. All specifications include unreported country and year dummies.
***<0.01 **<0.05 *<0.1

Table 9: Results for Regularly Scheduled Elections Only

	(1)	(2)	(3)	(4)
Dependent Variable	months to 25% disbursed	months to 25% disbursed	(log) disbursement	(log) disbursement
Lending Instrument Type	Investment project	DPL	Investment Project	DPL
Estimation Method	OLS	OLS	Tobit	Tobit
UN Alignment	-17.93***	0.274	0.00184	-3.911
	(-2.84)	(0.14)	(0.00)	(-1.41)
CEE	22.04***	0.0623	-0.682**	0.920
	(2.73)	(0.05)	(-2.10)	(0.43)
$\times$ *UN Alignment*	-44.83***	-1.275	1.684**	-1.648
	(-2.95)	(-0.45)	(2.47)	(-0.42)
Approval Period	-0.250***	-0.0260**		
	(-7.08)	(-2.38)		
IDA	-0.580	-0.175	0.0508	1.409
	(-0.41)	(-0.10)	(0.15)	(0.59)
Project Size	-1.551***	-0.468		
	(-2.66)	(-1.07)		
Inflation	-0.0442	0.122	-0.0759***	-0.269
	(-0.15)	(0.80)	(-6.83)	(-1.55)
GDP	20.47***	5.235***	-0.544	-8.440***
	(5.22)	(2.80)	(-1.14)	(-3.61)
Population	61.05***	-1.320	4.335***	-7.560
	(4.46)	(-0.39)	(3.62)	(-1.31)
Projects	4907	972	5366	1004
Observations	4907	972	391790	18839

t statistics in parentheses based on country-clustered standard errors (Columns (1) and (2)) or project-clustered standard errors (Columns (3) and (4)).
Column (1) corresponds to Column (2) of Table 2. Column (2) corresponds to Column (2) of Table 3. Columns (3) and (4) correspond to Columns (2) and (4) of Table 6. The estimation samples omit potentially endogenously timed elections. The specification is unchanged; for detailed notes please refer to the earlier tables.
***<0.01 **<0.05 *<0.1